

**HOUSE TRANSPORTATION COMMITTEE**  
**November 19, 2009**

**TESTIMONY ON HOUSE BILLS 4965 and 4966**  
**submitted by NICK CIARAMITARO, Director of Legislation and Public Policy**  
**Michigan AFSCME Council 25**

Madam Chairperson and Members of the House Transportation Committee:

My name is Nick Ciaramitaro and I am Director of Legislation and Public Policy for the Michigan Council of the American Federation of State, County and Municipal Employees. AFSCME represents over 95,000 Michigan public sector workers. We represent the people who make the things you require by law actually happen.

Michigan AFSCME Council 25 opposes House Bills 4965 and 4966 as drafted. We note that the bills are well intentioned and believe the issues raised must be addressed but that the current bills are flawed both technically and substantively and hope the Committee will delay action on them until the necessary work is done to put them in the proper form.

These bills are also part of a larger package which is equally well intentioned. Many of those bills have been the target of numerous discussions involving various parties, legislators and the Department. Though those discussions have not yet been able to resolve our concerns, I hope that you will allow that process to continue and, indeed encourage further discussions to make sure that the actions we take on the important issues involved can be addressed in the best possible manner.

If the Committee chooses to move the bills forward, I appreciate the commitment of the Chair to continue to work with our organization before final action is taken on the floor.

Let me take a moment to address the two bills currently before you:

First, I must note that these two bills amend the same section of law. Because of the republication requirement in the State Constitution, the effect of adopting two bills that amend the same section of law results in whichever bill is signed into law last repealing the bill that was signed into law first, assuming that both bills reach the Governor's desk. That would essentially delegate final decisions to the Governor. I'm not sure why the Legislature would want to put itself in the position of passing two bills and not knowing which would become law. This is more than a technical concern as the actions of the Legislature could end up with two or more different results.

Assuming we will eventually see substitutes clarifying the Legislative intent, it would be inappropriate for us to support any bills without knowing their content. But in the meantime let me address the content as currently written.

House Bill 4965 provides for a new use of the Comprehensive Transportation Fund (CTF). The CTF is a restricted fund which covers state public transportation appropriations as provided by law and is specifically authorized by the Michigan Constitution.

The bill would establish a Transportation Regionalization Grant program. Under this program the Department of Transportation would be required to make grants to Metropolitan Planning Organizations to develop, carry out and oversee development of regional mass transit. While the need for regional efforts at providing transportation is essential and critical for a variety of reasons including pulling down additional federal assistance, it seems strange that we would be putting the onus on the Department for such an effort in light of the recent reports of the failure of the State to generate sufficient resources to complete the basic work in road maintenance and bridge safety for which it is currently responsible. I realize that that this bill is part of a package designed to address that very problem but again am concerned that we should not be moving these bills without completing the work necessary to assure that the entire package is properly drafted.

The timing of passage of the bills again becomes important as the bill *requires* the Department to make grants to Urban Transit Agency's Metropolitan Planning Organizations that fail to seek a grant *within two years of the adoption of the bill*. An Urban Transit Agency is defined in the act as a government agency or authority receiving funds from the CTF with a population of 200,000 or more. If the Department determines that any provider operating under that Urban Transit Agency's Metropolitan Planning Organization fails to make "sufficient progress" (an undefined term) for two consecutive years, that provider would be *ineligible* for state matching funds for federal transit assistance. There is no procedure for appeal nor is there a method for resolving disputes, nor is there a method designated for the Department to work with the provider to make up any deficiency in this regard. The bill then provides that once ineligible that provider remains ineligible for two years – again with no recourse. This level of penalty is akin to imposing a death sentence for a parking ticket!

House Bill 4966 limits the annual available appropriation from the CTF to "new transit services," previously "local bus new services" to \$50 million per year. It then eliminates a requirement for new bus funding to be in set percentage amounts in the first four years of new bus service delivery and instead delegates the funding levels to the Department subject to the following conditions:

- limitation of funding to urban area transit services

- allows appropriations to be used for direct expenditures, loans, grants or lease/contract guarantees to public *or private* providers
- allows funds to be used for capital or operating purposes
- allows funds to be used for total cost or as federal match

It is my understanding that the principle reason for the change is to expand the definition of transit services to include light rail.

While we agree that light rail should be considered in the mix of available transportation modalities, Michigan AFSCME is very concerned that expansion without identified additional revenue is a mistake at a time when bus services, particularly in the City of Detroit, are being slated for drastic cutbacks.

In short, we believe the Legislature should concentrate on maintaining existing transportation services and in reaching consensus with all of the parties involved. We fear that movement of small pieces of a comprehensive package could do more harm to developing a comprehensive approach to this very difficult and expensive proposition. As representatives of those who have been and will continue to be called upon to deliver transportation services, we look forward to working with you toward that end.